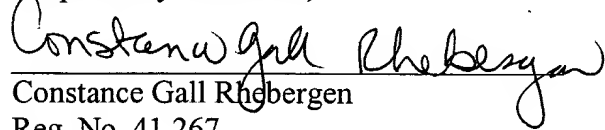


The above amendments are believed to be in accordance with the agreement reached. In view of the foregoing Amendment, Applicant respectfully requests the issuance of a Notice of Allowance.

Respectfully submitted,



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MARKED UP VERSION SHOWING CHANGES (ELECTED CLAIMS)

1. (Thrice Amended) A pelletized dense additive for lost circulation, seepage control, fluid loss and control of lubricity, viscosity and rheology in drilling operations, the additive comprising:

a plurality of ~~untreated~~, comminuted particles formed of base material defining a ground raw base material, the base material being selected from the group consisting of raw organic materials, inorganic materials and combinations thereof, the ground raw base material being compressed and shaped to define a pellet body having a density substantially greater than the plurality of untreated comminuted particles of base material, the pellet body being operable to begin to disperse into the plurality of particles within a drilling fluid directly upon introduction to the drilling fluid such that the additive is substantially uniformly distributed through the drilling fluid when the drilling fluid is in the mud pit, the pellet having only one base material, the pellet when dispersed in the drilling fluid is operable to inhibit lost circulation, seepage and fluid loss of the drilling fluid.

2. (Thrice Amended) The pelletized dense additive of claim 1 wherein the base material is selected from the group consisting of lignites, leonardites, lignin-based powders, bitumens, lignosulfonates, asphalts, clays, ~~polyacrylate homopolymers and copolymers,~~ cellulosic polymers, xanthan gums, metal silicates, starches, guar gum, cellulosic fibers, fatty acids, amphoteric, ~~carboxymethyl cellulose,~~ welan gum, hydrocarbon resins, barite, hematite, hydroxyethylcellulose, chlorides, bromides, polyphosphates, zinc, gilsonite, graphite, coke and mixtures thereof.

3. (Thrice Amended) The pelletized dense additive of claim 1 wherein the base material ~~further includes compounds~~ is selected from the group consisting of calcium carbonate, mica, diatomaceous earth, Fuller's earth and other silicates, activated charcoal, bauxite, alumina gel, graphite, gilsonite and mixtures thereof.

4. (Thrice Amended) The pelletized dense additive of claim 1 wherein the base material ~~further includes compound~~ is selected from the group consisting of lignites containing calcium hydroxide, leonardite, leonardite with potassium, leonardite with gyp, organophilic leonardite, lignin-based powders, bitumens and mixtures thereof.

5. (Thrice Amended) The pelletized dense additive of claim 1 wherein the base material ~~further includes compounds~~ is selected from the group consisting of lignosulfonates, ~~lignosulfonates with chrome, lignosulfonates with calcium, lignosulfonates with iron, lignosulfonates with tin, lignosulfonates with zinc lignosulfonates with heavy metals and mixtures thereof.~~

6. (Thrice Amended) The pelletized dense additive of claim 1 wherein the base material ~~further includes compounds~~ is selected from the group consisting of asphalt, ~~sodium sulfonate asphalt, potassium sulfonate asphalt and mixtures thereof.~~

7. (Thrice Amended) The pelletized dense additive of claim 1 wherein the base material ~~further includes compounds~~ is selected from the group consisting of clays, organophilic clays, attapulgite clays, montmorillonite clays, kaolinite clays, calcined clays and mixtures thereof.

8. (Thrice Amended) The pelletized dense additive of claim 1 wherein the base material ~~further includes compounds~~ is selected from the group consisting of ~~polyacrylate powders, polyacrylamide homopolymers, polyacrylamide copolymers, polyanionic cellulose, cellulosic polymers and mixtures thereof.~~

9. (Thrice Amended) The pelletized dense additive of claim 1 wherein the base material ~~further includes compounds~~ is selected from the group consisting of ~~xanthan gums, metal silicates, vegetable starches, fatty acids, cellulose compounds, barium sulfate, hematite, hydroxyethylcellulose, sodium chlorides, calcium chloride, potassium chloride, bromides, polyphosphate, sodium, calcium, zinc, gilsonite, graphite, petroleum coke, calcine coke, Rockwool insulation and mixtures thereof.~~

10. (Twice Amended) The pelletized dense additive of claims 1 further comprising a binding agent selected from the group consisting of clays, guar gum, lignosulfonate, wood sugar, starch and mixtures thereof.

11. The pelletized dense additive of claim 1 wherein the base material is a mixture of two or more base materials wherein one of the base materials being an organic material.

12. (Twice Amended) The pelletized dense additive of claim 1 wherein the base material is selected from the group consisting of ground wood, pine bark, fruit pomace, vegetable pomace, yellow pine, pine bark, corn cobs, peanut hulls, pecan pits, almond shell, corn cob outers, bees wings, cotton burrs, kenaf, silage, oat hulls, rice hulls, seed shells, sunflower, flax, linseed,

cocoa bean, feathers, peat moss, jute, flax, mohair, wool, sugar cane, bagasse, sawdust, bamboo, cork, popcorn, tapioca, grain sorghum and soluble gums.

13. The pelletized dense additive of claims 1 wherein the pellets have a diameter substantially in the range of 1/8 inch to 3/4 inch and a length substantially in the range of 1/8 inch to 2 inches.

14. The pelletized dense additive of claim 1 wherein the untreated, comminuted particles define an original particle size distribution and wherein the pellet body is further operable to revert to substantially the original particle size distribution of the plurality of untreated, comminuted particles so that when dispersed in the drilling fluid the dispersed pellet mixes with the drilling fluid.